

EXHIBIT F

UEP Animal Welfare Committee

October 9, 2002

Savannah, Georgia

MINUTES

Call To Order: The meeting was called to order by Chairman Bob Krouse at 7:00 AM with the following being present:

Committee Members: Bob Krouse – Ky Hendrix – Mike Bynum – Tim Bebee
David Thompson – Ken Looper – Steve Storm – Kurt Kreher – Kurt Lausecker – Joe Fortin
Paul Bahan – Joe Arias

UEP/UEA Members, Staff & Guests: Irving Isaacson – Gene Gregory – Al Pope –
Chad Gregory – Ken Klippen – Jim Brock – Hugh Cholick – Mel Gehman – Jim Cook
Loren Asche – Bill Rehm – Bruce Andrews – Ron Truex – Bob Sparboe – Scott Braswell
Bob Pike – Danny Linville – Dave Radlo – Kevin Vinchattle – Loren Bosma – Doug Niemeyer
Jim Coble – Earl Barrentine – Paul Sauder – Andy Wadsworth – Lisa Timmerman – Rod Smith
Dick Magoffin – Barrie Wilcox – Andy Wilcox – Vince Reina – Doug Richardson – Mike
McLeod – John Thorne – Gerald Muller – Susan Joy – Larry Seger – Bob Kreider – Jim Hunter
Phil Vobr – Jack Shuford – Carolyn Gray – Al Schimpf – Wayne Carlson – Ric Sundal
Paul Osborne – Gary West – Don Bell – Terry Pollard – Jim Den Bleyker – Ray Chambers
Mark Oldenkamp – Mike Sencer – Wayne Mooney – Danny Glymph – Alan Andrews
Tony Kunze – Fred Adams – Jeff Henning – Bob Randall – Dolph Baker – Doug Leifermann
Roger Deffner – Tom Silva – Rick Brown – Rich Hall – Beth Schnell – David Cisneos
Paul Williams – Justin Whaley – John Sperry – Ron Whaley – Greg Hinton – Kent Tigges
Harold Froese – Peter Clarke – Don McNamara – Brian Ellsworth – Joanne Ivy – Jim Dean
Brian Barrett – David Erbel – Carl Lofgren – Gordon Satrum – Allie Steck – Jennifer McGuire
Richard Simpson – Jan Dorsey – Kurt Allen – Tom Lippi – Gib Burton – Gregg Clanton
Doug Wicker – Norm Stocker – Bill Baumgardt – Terry Profitt – Dave Hankings – Arnie Riebli
Derek Yancey – Butch DeVries – Charles Olentine – Galan Merrill – Steve Herbruck – David
Leavell – Howard Magwire – Ernie Gemperle – Cathy Dean – Linda Reickard – Randy Nelson
Bruce Dean – Nate Burnham – Marv Anderson – Coke Anderson – Michael Mills – Jerry Grove
Glenn Carter – John Todd

Chairman's Comments: Krouse opened the meeting by announcing some of the major points that the committee had already decided upon and the impressive acceptance by the industry as well as FMI and NCCR of the UEP guidelines. He urged everyone to limit any discussion of past decisions because of the need to focus upon the number of issues that were on the day's agenda that must be acted upon.

Previous Motions: Gene Gregory reviewed the key motions that had been adopted by the Board of Directors at previous meetings.

Certified Companies: Gregory presented a list of those companies having filed the application for certification and thereby implementing the guidelines. The list included 163 companies with ownership of approximately 200 million laying hens.

Requirement for Certified Status: Krouse reported that previous motions required that the Board reconfirm the commitment of 100% of their production facilities. After considerable discussion the following motion was made:

Motion: It was moved by Fortin and seconded by Lausecker to reconfirm the status that a company must commit to implementing the welfare guidelines on 100% of all production facilities regardless of how or where eggs may be marketed. And that the 100% commitment is intended to be inclusive of all company entities, affiliates, etc. Motion carried with 10 yes votes and 2 no votes.

Selling Non-Certified Eggs: The question had been asked of whether certified companies could sell eggs purchased from non-certified companies. The consensus was that while all certified companies should attempt to only purchase eggs from other certified companies, there was no legal means by which to limit certified companies from purchasing eggs from non-certified companies. Therefore a certified company may purchase eggs from non-certified companies so long as those eggs were not sold as certified and using the certification number or animal care certified logo.

Authorized Auditors: Howard Magwire from USDA/AMS and Bill Baumgardt from ARPAS confirmed that both organizations would sign an agreement with UEP to provide 3rd party independent auditing of the UEP welfare guidelines.

Gregory reported that other firms had expressed interest in providing auditing services. He identified: MSF Financial Group – Brood & Seibert CPA – William Glass – Silliker, Inc., and NSF Cook & Thurber as those being qualified and interested.

Staff recommended that we not consider additional auditing firms at this time and to delay this decision until an evaluation could be made of the problems and time involved in conducting audits. There were no objections.

There was discussion on when the first audits should begin. The following motion was made:

Motion: It was moved by Fortin and seconded by Arias to recommend to staff and the audit firms to set a goal for starting audits by January 2003 and be completed by April 15, 2003. Motion carried.

Audit Intent By NCCR and FMI: Pope explained the interest of NCCR to manage the audit process and to select the audit firms. He shared a series of letters all which stated UEP's position that UEP would not accept NCCR's control of the audits and that only those companies being audited by UEP approved auditors would be recognized as certified companies.

UEA Further Processor Motion: A motion brought forward from the UEA Further Processors in which they had requested the following: *"An egg products company may market animal husbandry certified egg products equal to only those purchased from a UEP recognized animal husbandry certified egg producer providing that the egg products company agrees to maintain records to verify the sale and purchase of certified eggs and be audited. UEP would then recognize the company as a certified marketer and provide a certification number and authorization for the use of the animal care certified logo."*

After considerable discussion the following motion was made:

Motion: It was moved by Looper and seconded by Bahan that egg products plants or shell egg processing plants with or without production can supply a customer or customers with certified animal welfare egg products or animal welfare shell eggs by purchasing eggs from a certified producer. The egg product plant or shell egg processing plant would have an audit no less than annually for the purpose of confirming that the sale of certified product did not exceed the purchase of certified eggs. The egg products plant or shell egg processing plant would use the certification number and seal of the producer or producers who produced the certified eggs. Motion carried with 1 no vote.

Use of Animal Care Certified Logo: To further clarify who may use the certified logo, it was determined that UEP should not authorize the use of the animal care certified logo to anyone other than the certified producer.

Motion: It was moved by Bynum and seconded by Fortin to require egg products plants or shell egg processing plants without production to receive authorization for the use of the logo from only certified producers that they purchase eggs from.

Monthly Compliance Reports: Reickard reported on the number of companies that had filed their August compliance report and announced that some changes were being made to the reporting form. She announced that letters had been sent to companies that were even one (1) bird over the allowable limit to meet the space requirements.

Motion: It was moved by Krouse and seconded by Bynum to allow a variance of 100 birds over the space requirement. (Motion failed.)

Gregory reported that based upon comments received from area meetings, he recommended the question of certified eggs marketed be changed to a yes or no question rather than the current requirement for identifying the volume of sales.

Motion: It was moved by Hendrix and seconded by Kreher to change the question on marketing of certified eggs to a yes or no question. Motion carried.

Public Relations: Jennifer McGuire from the PR firm of Sawyer Riley and Compton presented a report of UEP's public relations campaign and the recommendations for responding to a media inquiry.

Other Business: Included with the packet of information was the Animal Care Certified logo and a report from the IEC Animal Welfare Symposium.

Adjourn: There being no further business to come before the committee it was declared adjourned at 10:15 AM.

Recorded by: Gene Gregory